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Eastern District of California

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FIVE INDICTED ON MORTGAGE FRAUD CHARGES

Bay Area Mortgage Broker and Real Estate Agent Among Those Charged with Conspiring to Defraud Four Different Banks of More Than One Million Dollars

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that a federal grand jury has returned an eight-count indictment charging DENNIS AARON MOORE, 50, of Hillsborough, Calif., VERONIKA WRIGHT, 33, of San Ramon, Calif., MITCHELL WRIGHT, 36, of San Ramon, Calif., HAIYING FAN, 42, of Millbrae, Calif., and GARY LORENZO GEORGE, 50, of Olivehurst, Calif., with various crimes in connection with their participation in a mortgage fraud scheme with respect to the purchase of a series of homes in South Lake Tahoe and Nevada City, Calif. Each defendant is charged with one count of conspiring to commit bank fraud and mail fraud; defendants MOORE, VERONIKA WRIGHT, MITCHELL WRIGHT, and FAN are further charged with two counts of bank fraud; and MOORE, VERONIKA WRIGHT and GEORGE are each charged with making false statements on loan applications. MOORE and FAN are also charged with two counts of money laundering. The indictment alleges that the victim lending institutions suffered over \$1,000,000 in losses as a result of the defendants' conduct.

This case is the product of a joint investigation by the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation.

“Aggressive pursuit of those who engaged in mortgage fraud during the boom and bust of the region’s housing market remains a top priority for federal law enforcement. These scams hurt not just the lending institutions, but area homeowners and taxpayers alike,” said acting U.S. Attorney Brown.

According to Assistant United States Attorney Sean C. Flynn, who is prosecuting the case, the indictment alleges that between June 2005 and April 2007, the defendants conspired to defraud Washington Mutual Bank, doing business as Long Beach Mortgage, Countrywide Bank, FSB, and other lenders through a “cash-back-to-buyer” mortgage fraud scheme. MOORE purchased five separate properties in South Lake Tahoe and Nevada City, each of which was funded with large primary loans or first mortgages from various lending institutions. It is alleged that as part of each purchase agreement, MOORE insisted that each seller agree that a substantial “commission” – sometimes in excess of 20 percent of the purchase price – be paid from the sale proceeds to MOORE’s real estate agent, defendant FAN. In order to induce the seller to agree to such a commission, MOORE often offered to purchase the properties at prices above the respective list prices.

MOORE further collaborated with his mortgage broker, VERONIKA WRIGHT, and his other co-conspirators to submit to the lending institutions home mortgage loan applications that

contained various false statements with respect to MOORE's income, employment, liquid assets, and compliance with tax obligations. MITCHELL WRIGHT is alleged to have created a bogus Web site to substantiate MOORE's false employment claims, and GEORGE, a tax professional, created false letters to support MOORE's false financial claims. The banks relied on these false statements in disbursing funds pursuant to the loans. It is further alleged that once the funds were disbursed, FAN kicked back the majority of her "commission" to MOORE, completing the cash-back-to-buyer mortgage fraud scheme.

The maximum statutory penalty on the conspiracy charge is five years in prison, while the bank fraud and false statement charges carry a 30-year maximum sentence. The maximum sentence that can be imposed with respect to the money laundering charges against MOORE and FAN is 10 years in prison. However, the actual sentence will be dictated by the Federal Sentencing Guidelines, which take into account a number of factors, and will be imposed at the discretion of the court.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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